



General Assembly

January Session, 2007

**Substitute Bill No. 7346**

\* \_\_\_\_\_HB07346ED\_FIN032007\_\_\_\_\_\*

**AN ACT CONCERNING THE GROSS EARNINGS TAX ON DIESEL FUEL FOR SCHOOL BUSES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. Subdivision (2) of subsection (b) of section 12-587 of the  
2       general statutes is repealed and the following is substituted in lieu  
3       thereof (*Effective from passage and applicable to taxable years commencing*  
4       *on or after January 1, 2007*):

5       (2) Gross earnings derived from the first sale of the following  
6       petroleum products within this state shall be exempt from tax: (A) Any  
7       petroleum products sold for exportation from this state for sale or use  
8       outside this state; (B) the product designated by the American Society  
9       for Testing and Materials as "Specification for Heating Oil D396-69",  
10      commonly known as number 2 heating oil, to be used exclusively for  
11      heating purposes or to be used in a commercial fishing vessel, which  
12      vessel qualifies for an exemption pursuant to section 12-412; (C)  
13      kerosene, commonly known as number 1 oil, to be used exclusively for  
14      heating purposes, provided delivery is of both number 1 and number 2  
15      oil, and via a truck with a metered delivery ticket to a residential  
16      dwelling or to a centrally metered system serving a group of  
17      residential dwellings; (D) the product identified as propane gas, to be  
18      used exclusively for heating purposes; (E) bunker fuel oil, intermediate  
19      fuel, marine diesel oil and marine gas oil to be used in any vessel

20 having a displacement exceeding four thousand dead weight tons; (F)  
 21 for any first sale occurring prior to July 1, 2008, propane gas to be used  
 22 as a fuel for a motor vehicle; (G) for any first sale occurring on or after  
 23 July 1, 2002, grade number 6 fuel oil, as defined in regulations adopted  
 24 pursuant to section 16a-22c, to be used exclusively by a company  
 25 which, in accordance with census data contained in the Standard  
 26 Industrial Classification Manual, United States Office of Management  
 27 and Budget, 1987 edition, is included in code classifications 2000 to  
 28 3999, inclusive, or in Sector 31, 32 or 33 in the North American  
 29 Industrial Classification System United States Manual, United States  
 30 Office of Management and Budget, 1997 edition; (H) for any first sale  
 31 occurring on or after July 1, 2002, number 2 heating oil to be used  
 32 exclusively in a vessel primarily engaged in interstate commerce,  
 33 which vessel qualifies for an exemption under section 12-412; (I) for  
 34 any first sale occurring on or after July 1, 2000, paraffin or  
 35 microcrystalline waxes; (J) for any first sale occurring prior to July 1,  
 36 2008, petroleum products to be used as a fuel for a fuel cell, as defined  
 37 in subdivision (113) of section 12-412; [or] (K) a commercial heating oil  
 38 blend containing not less than ten per cent of alternative fuels derived  
 39 from agricultural produce, food waste, waste vegetable oil or  
 40 municipal solid waste, including, but not limited to, biodiesel or low  
 41 sulfur dyed diesel fuel; or (L) diesel fuel to be used exclusively by  
 42 school buses, as defined in section 14-275.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage and applicable to taxable years commencing on or after January 1, 2007</i>	12-587(b)(2)
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Joint Favorable Subst. C/R

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